Human Events *A Weekly Analysis for the American Citizen*

Editorial Office 1710 Rhode Island Ave., N. W., WASHINGTON 6, D. C. *Telephone* NATIONAL 2066

VOL. VI, NO. 16, *Issue Number* 273, APRIL 20, 1949 ★ *Editors:* FELIX MORLEY & FRANK C. HANIGHEN

UNIVERSITY OF MINNESOTA APR 26 1949 LIBRARY

ALLIANCE OR UNION?

by Felix Morley

On April 12, President Truman formally transmitted to the Senate a copy of the Atlantic Treaty, together with a brief message urging ratification by the requisite two-thirds majority. In his message the President asserted that:

> "The nations signing this treaty share a common heritage of democracy, individual liberty and the rule of law. The American members of the North Atlantic community stem directly from the European members in tradition and in love of freedom."

The Senate simultaneously received from the President a copy of the much longer report of the Secretary of State on this proposed treaty. Here Mr. Acheson gives the background of the contemplated military alliance, defines its "essential purpose", analyzes each article and also, in several places, emphasizes the "common heritage" of the United States and the other contracting governments. To quote:

> "The common heritage of the signatory nations dates deep in history and the bonds between them are fundamental. It is hoped that their co-operation will be permanent and progressively closer."

We may wonder a little about this "common heritage of democracy" which allegedly unites post-Fascist Italy, the benevolent dictatorship of Portugal, the imperial Netherlands, the British nobility, French Communists and the bewildered American people. It must almost seem as though Thomas Jefferson and his colleagues committed an egregious blunder when they announced, on July 4, 1776, "That these United Colonies are, and of right ought to be, free and independent States".

The Declaration of Independence then brazenly asserted "that all political connection" between this country and Great Britain "is and ought to be totally dissolved". But Mr. Acheson has set that straight. The bonds uniting the U.S.A. to Britain -- as well as to Belgium, Canada, Denmark, France, Holland, Iceland, Italy, Luxembourg, Norway and Portugal -- are called "fundamental" by the Secretary of State. The suggestion is that political fundaments cannot be, and therefore really never were, "dissolved".

President Truman supports this thought by telling the Senate that: "Events of this century have taught us that we cannot achieve peace independently. The world has grown too small."

Copyright 1949 by HUMAN EVENTS, INC.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

In other words the sponsors of this treaty say frankly that the era of American independence is at an end. It is a treaty of dependence which the Senate is asked to ratify. That raises the question of whether the treaty, in its present form, is best calculated to strengthen the trans-Atlantic unity asserted as its excuse for being.

II

If the world has grown smaller with the advance of science, it is equally true that our new allies have grown no larger or more imposing, as independent States. The area of Luxembourg remains less than that of Rhode Island, much the smallest state in the American Union. The population of Iceland is scarcely larger than that of Nevada, which has fewer people than any other American Commonwealth. It was fantastic -- no other word will serve -- to watch the representatives of Luxembourg and Iceland signing the new alliance, on April 4, on an assumption of sovereign equality with the United States.

Luxembourg and Iceland are, of course, extreme cases. But Norway, which barely exceeds the area of Oregon, and Italy, about 20 per cent smaller than California, are also comparable with individual American states, rather than with the Union as a whole. That sort of comparison is not invalidated if we consider the greatest European members of the projected alliance. For Great Britain enters without the self-governing Dominions, as is emphasized by the separate signature of Canada. And France with all her overseas territory is similarly outclassed by the United States in every measurement of physical power.

The lack of proportion between the units of the projected alliance is further emphasized by the current dependence of all its European members on American aid. Excepting Canada, these nominally independent nations are all beneficiaries of the European Recovery Program, for the second year of which Congress has just authorized the enormous sum of $5.43 billion. The Administration is now about to tell the American taxpayer how much additional he must provide to arm our allies.

The essential purpose of the proposed alliance is the pooling of physical power. "It is designed", says Secretary Acheson, "to contribute to the maintenance of peace by making clear in advance the determination of the parties resolutely and collectively to resist armed attack on any of them."

But to this pool of common physical power the United States will make practically all the financial contribution and may properly be expected to furnish as much manpower as all the other allies combined.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Reporting to the President on the desirability of the projected treaty, Secretary Acheson expressed the hope that co-operation among the signatory nations "will be permanent and progressively closer". Unfortunately, it is the nature of a military alliance, emphasizing the complete sovereignty of the contracting parties, to stereotype existing political relationships.

Politically speaking, a military alliance is always a brittle arrangement. The Franco-Russian, Anglo-Japanese and Italo-German alliances, all lasted for some years, but the state of the world today shows that they accomplished nothing in bringing these erstwhile partners into "progressively closer" relationships. Military alliances do much more to create the enmity of excluded nations than they do to build permanent friendships between the allies.

If our purpose is to check the development of Communism in Western Europe then ERP, which obviously has accomplished something towards that end in a single year of operation, should be enough. In the absence of any new Soviet aggression, the Economic Co-operation Administration should be continued for the contemplated period of four years, without being complicated and confused by superimposing a military alliance on top of a program that was launched as an end in itself.

The projected alliance makes sense, on the other hand, if our real, though unadvertised, purpose is to wage aggressive war on the Soviet Union at the first plausible opportunity. Many straws in the wind indicate that the Russians are justified in claiming that aggressive war is the real intent of the Truman Administration. Chairman Cannon of the House Appropriations Committee has even announced a general strategy for such a conflict: use our airforce to "blast" every Russian "center of operation" with atomic bombs, and then send in our European mercenaries for the mop-up -- "other boys, not our boys".

Within living memory two Democratic Administrations have plunged this country into war while vociferously proclaiming their desire for peace. None can be blamed for a shrewd suspicion that the same trail is being followed again. To all objective observers, lend-lease, in 1941, meant war with Germany. The Atlantic Alliance, in 1949, appears as the parallel preliminary for war with Russia.

And yet everyone wants to take the asseverations of our political leaders at face value. Everyone would like to believe with Mr. Truman:

> "This treaty is only one step -- although a long one -- on the road to peace. No single action, no matter how significant, will achieve peace. We must continue to work patiently and carefully, advancing with practical, realistic steps in the light of circumstances and events as they occur, building the structure of peace soundly and solidly."

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

If the Administration's real intent is to advance towards peace "with practical, realistic steps", then an unrivalled opportunity lies before the Senate as it proceeds to its Constitutional duty of advising the President on the treaty, which has no legal force for this country unless and until "two-thirds of the Senators present concur".

All that is needed is a verbally small substitution for articles 12 and 13 of the treaty draft. The first of these provides for a review of the treaty, after it has been in force for ten years, at the request of any signatory. Article 13 limits the life of the treaty to twenty years, for any party that desires to withdraw after that period.

For these two articles the following could be substituted:

> After the treaty has been in force for one year the contracting parties shall send delegates, specially chosen for that purpose under their national election laws, to a Constitutional Convention to be held in the city of Philadelphia. It shall be the purpose of that Convention of sovereign states to form a more perfect Atlantic Union, in accordance with the principles established in the Federal Convention of American states held in Philadelphia in 1787.

HUMAN EVENTS broached the advisability of such a step in its issue of March 23, entitled "What Follows the United Nations?" In subsequent issues, as Senatorial debate on the treaty gets under way, we plan to present further argument for this wholly practical suggestion.

If this alliance can be transformed into a Federal Union, then any aggression against a member of that union would indeed become an act of aggression against the Union as a whole. The formation of the Union, additionally, would forthwith eliminate the reasonable Russian argument that this alliance is of aggressive intent, created for no other purpose than war against the Soviets.

The alliance, as at present drafted, is only a temporary device. As such it seems more likely to bring war than to establish peace. The path of statesmanship, at this dreadful crossroad in world history, is to move with certainty towards a more stable international order.

This choice, without a trace of partisanship, and in the highest tradition of its vital function, the Senate is now in a position to make. It is a decision that properly should be made by the Senate. Its equal representation of originally sovereign states reminds us of the Federal character of our own union, now applicable for extension to what the Department of State calls "the North Atlantic Community".

Quotation up to a paragraph is permitted with credit to HUMAN EVENTS. For reproduction or more extensive quotation address requests to HUMAN EVENTS, 1710 Rhode Island Avenue, N. W., Washington 6, D. C. Trial subscription, three months for $3. Six months, $5.50. One year, $10. Two years, $18. Domestic airmail (including APO and FPO) one year, $12.00; foreign (regular mail) one year, $11. Foreign airmail rates on request. Please remit in U.S.A. DOLLARS. Allow two weeks for new subscriptions or change of address to become effective.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Not Merely Gossip *A Supplement to* Human Events Vol. VI, No. 16

UNIVERSITY OF MINNESOTA RECEIVED APR 26 1949

By Frank C. Hanighen April 20, 1949

TRUMAN: We present a verbal sketch of President Harry S. Truman as he entered his fifth year in the office of Chief Executive -- based on reports of experienced observers who have talked with Mr. Truman during the past ten days. "Conciliatory" is the word they use to describe the President's attitude toward Congress just before he made his much publicized visit to the Upper Chamber. That informal call, it is believed, was not made without some premeditation, and few Senators regard it as other than a peace gesture. However, this picture of a benevolent mood should be qualified by saying that the President -- only humanly of course -- still expresses some rancor towards some members of his party on the Hill. It could hardly be otherwise, in view of the events of the past two months.

Perhaps the most grateful tidings which observers bring away from the White House concern Truman's opinions on the international situation. He is positive that there will be no war this year, next year or even during the rest of his term in office. He feels strongly that the Russian Government will not start hostilities because Stalin knows that the Soviet Union is in no position, no condition, to wage a major war. We have heard this opinion advanced by Pentagon and State Department circles; and of course Mr. Truman is influenced by top advisers from these departments. But it is reassuring that the Chief Executive, who presumably applies some critical appraisal to what his advisers tell him, has come to this conclusion. This estimate of the future may be wrong. Yet one cannot forbear mentioning happily that high opinion on the chances for peace are as optimistic today as they were pessimistic a year ago.

* * * * *

RECIPROCAL TRADE AGREEMENTS: With the Reciprocal Trade Agreements Act coming up before the Senate, it may be useful to hear a criticism from an expert who believes that the Agreements fall far short of the much advertised goal of promoting "free trade". Our correspondent, who has spent his career in the study of trade and tariff problems, writes us: "Two of the principal objectives of the Reciprocal Trade Agreements are: (1) in each 'bargain', to make a real trade with a particular country, although the U.S. concession is immediately extended to practically all other countries; and (2) to make a tariff reduction in each case that will not cause any serious competition to any American industry.

"To achieve these theoretically somewhat self-contradictory purposes, the device of a highly detailed tariff classification has been adopted. In other words, the item on which the tariff rate is reduced should be a special commodity coming from only one country and not a 'bread and butter' product of any American industry. For example, one of the classifications under the trade agreements is confined to plates of a certain size, made with a certain maximum of calcined bone, decorated and having a certain value per dozen. By this classification the tariff reduction is intended to apply to Czechoslovak articles to the exclusion of similar articles from Japan. . . . In creating these exclusive classifications, every conceivable device is used . . . to evade the most-favored-nation principle and avoid foreign competition while formally adhering to both. Only an expert, after careful study, is able to tell what these classifications mean.

"In at least half of the cases, these infinitely detailed and complicated tariff reductions, often by only a few points of percentage, affect only one of the smaller factors in the import story, and, in sum, have no practical effect whatso-

Copyright 1949 by Human Events, Inc.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ever except to complicate the administration of the customs. . . . As a result of the complexities of the customs, getting an article through the custom house constitutes almost as great a barrier as the tariff rate. For the importation of most goods it is necessary to employ specialized customs brokers, men who spend their lives to master the intricate details of tariff classifications. The Customs Administration itself employs an army of 8,500 at an annual cost of 30 million dollars, and probably as many more are employed in this business by private concerns. After the imports have been entered and the classifications have been made by customs officers, the end is not yet. Every year there are 10,000 protests and appeals for re-appraisement and these may be dragged along in the courts, sometimes for years.

"The Reciprocal Trade Agreements Program has to a large extent become a racket by which the tariff is made so complicated that hundreds of highly paid bureaucrats are indispensable to tinker with it at all times. The average tariff rate has now been reduced to 14 per cent on dutiable articles, but the bureaucrats see that under the slogan of 'more liberal trade' they can occupy highly-paid positions making the tariff still more prolix and themselves more necessary."

* * * * *

AIR POWER: Air Corps circles object to proposals for including airplanes and air equipment in the North Atlantic lend-lease program, and take a certain historical parallel as the text for a lesson. England, it is recalled, subsidized and aided various European armies at one time and another during the Eighteenth and early Nineteenth Centuries. But in none of these cases did the British Government ever give away even a frigate; it sedulously refrained from helping foreign navies. The navy was the foundation of Britain's defense system and her power, and London took care not to help build up any force which might challenge her control of the seas.

The moral is clear. The key factor in U. S. power today is air power, just as naval power was for Britain in past centuries. Hence we find Colonel Truman Smith, U.S.A. Ret., expressing a growing sentiment in military circles that we emulate the policy of Britain described above. Colonel Smith, in a speech the other day at Fairfield, Connecticut, remarked that "lend-lease to Western European countries should be limited to building up ground and naval forces and should not include any aid for establishment of strong aerial power. The air force of no country should be built up to rival ours with our money."

* * * * *

REACTIONARY: Efforts to correct the current misuse of various political terms happily continues. Two weeks ago, we quoted from a letter by Mr. Clarence B. Hewes, to the Wall Street Journal, who pointed out how the word "liberal" has become corrupted. Another communication to the same paper from Mr. Monroe C. Babcock deals with "reactionary", one of President Truman's favorite epithets. Mr. Babcock remarks: "If I have the word reactionary in my mind correctly, it means people who wish to return to an old way of doing things. I never have been able to see anything particularly new about the New Deal. Besides having the central government do all these things for the people such as give them this and give them that and take away their initiative, they even reverted to the old idea of a man ruling for life. If that wasn't a reactionary idea, I've never seen one. . . . Anyone who has made any study of the history of economics knows that all the things that the present administration is talking about, and the New Deal tried, are as old as the hills and loaded down with misery, if practiced for any period of time."

* * * * *

VLASSOV: A name which has as little meaning for many people as it has immense significance for us popped up this week. It was that of General A. A. Vlassov, who deserted from the Red Army in 1942 and who headed anti-Stalin forces in Russia until the end of the war. At that time, Vlassov sought refuge, or rather surrendered, to American forces in Czechoslovakia in the spring of 1945. American commanders

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

promptly handed the General over to the Red Army, which executed him. However, Vlassov's chief deputy, General Zverev, escaped from the tender mercies of the American and Russian forces and went into hiding in Bavaria. He has just emerged from concealment and plans to come to the United States. He has sent over two manuscripts in advance; one reportedly gives precious information about Vlassov.

Zverev's reappearance today should remind us of this extraordinary and too little publicized movement which, it is estimated, enlisted about one million Soviet citizens to fight against Stalin. Had it not been for the incredible cruelty and stupidity of Hitler, Vlassov might well have altered the course of the war. The manuscripts of General Zverev are said to relate these details, including the story of how Hitler, for purely racial reasons (Russians for him were a race of slaves), issued a ban against the movement: and how Reichswehr generals endeavored to sabotage these orders from Hitler, succeeding to the extent of maintaining intact various units of the anti-Red Russian army in Eastern Europe and the Balkans. The Vlassov story is one of the great untold narratives of the last war.

The cruelty and stupidity of Hitler was only equalled by that of British and American authorities, who callously delivered these rebels against Stalin's tyranny to the Red Army. Many were executed and the rest, if still alive, are probably toiling in Siberian slave camps -- perpetual reminders to other Russians that they should not put any trust in Western Powers. Now, there is much talk of means for waging a psychological warfare to supplement the cold war. Any steps by our psychological warfare experts will encounter grave handicap because of the appalling folly of returning Vlassov and his men to the Soviet authorities.

* * * * *

HITLER: We have received from an impish soul, now resident in Germany, the following fantasy. The writer imagines what would happen to Adolf Hitler if he were tried today by a de-Nazification court in Germany. He could, suggests our correspondent, be acquitted with honor, for these reasons:

"(1) The defendant has been able to prove to the satisfaction of the Court, by introducing sworn affidavits and citing the public records, that until the end of August, 1939, he collaborated closely with, and accepted the collaboration of, the great democracies, particularly Great Britain and France, referred to as by nature freedom-loving and peace-loving.

"(2) Further, from 1939 until 1941, the defendant closely collaborated with, and enjoyed the collaboration and friendship of, the Soviet Union, loyally supporting its cause, later hailed by Mr. Roosevelt as the cause of a 'great democracy'.

"(3) The defendant has done everything in his power to bring about the defeat of the German Wehrmacht. His actions as supreme commander were such as to constitute irrefutable proof that he intended to, and succeeded in, sabotaging the German war effort.

"(4) The defendant, in anticipation of the Nuremberg trials, put to death a sizable number of Germany's leading generals. In particular, the defendant dealt most efficiently with the conspirators of July 20, 1944, branded by official spokesmen of the American OWI as 'Junkers and militarists far more dangerous than the Nazis and intent only on saving the Wehrmacht for World War III'.

"(5) Finally, the defendant was able to prove that, by making an alliance with Benito Mussolini, he became a 'victim of Fascism'."

* * * * *

Carl Lunquist, UP staff writer, informs Stalin that Americans are more excited about baseball than they are about the Kremlin's doings. "That's the way we want it", says Mr. Lunquist. Stalin can say: "me too".

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Book Events

The Confessions of a Capitalist, by Sir Ernest Benn. London: Ernest Benn Limited. Distributed by Analysis Associates, Inc., 150 Nassau St., New York. $2.50. Reviewed by Frank Chodorov.

Economics is, or hopes to become, a science. Its field is the way men make a living, and in that field some of its votaries hope to discover immutable and amoral laws; if such there be, men will be the better able to chart their economic course and predict their economic future. That is what science is for.

In every other science, the inductive method is taken for granted. The principles are distilled from particulars, and the particulars are derived from careful observation of nature. In economics, however, there is a distinct aversion to the study of facts. Many books on economics, particularly textbooks, give the impression of having been written entirely in the library by people who disdain and distrust the laboratory. The authors are fully familiar with the literature of economics, but give little evidence of any spade work in the ways whereby men actually make their livings.

It is therefore a pleasure to come across a book on economics that approaches the subject from the opposite direction. To be sure, Sir Ernest Benn disavows any intention of writing a book on economics; The Confessions of a Capitalist is a running account of a business career and lays no claim to be anything so pretentious as a textbook. But, the narrator is endowed with a discerning (scientific) mind and cannot help but point up the principles which the particulars indicate. That makes it an economic treatise, whatever the author's intent.

Sir Ernest Benn is a successful publisher of trade journals. (He tells of his failures as well as his successes and analyzes the win-and-lose causes.) One might suspect that the story of how he built the business and how it functions would be boring to all but those engaged in that industry. This, however, is not so. In the art of making a living there are many specializations, each requiring different skills and each supplying a different satisfaction; but the economic principles which control any one of them are at work in all others. The carpenter and the doctor are worlds apart in their operations, but both earn wages, use capital, buy and sell. Sir Ernest Benn uses his publishing experience as a laboratory for the ascertaining of universal economic principles, applicable to any business, and that is what makes his story of general interest. Supplementing his power of discernment is the gift of narrative. The book is readable as well as informative.

To be sure, the book is loaded with values. Sir Ernest has too mature a mind to affect the fiction of objectivity. His avocation for many years has been the Presidency of the British Society of Individualists, an organization carrying on what appears to be a rear guard action against the creeping paralysis of Socialism. Hence, it might be charged that his book is biased; that is, mere special pleading for individualism. Is not the one who levels such a charge himself tarnished with bias? Admitting that the author starts with a point of view, the question is, do his findings support it? Do they point up principles which, regardless of bias, are applicable to the way men make a living?

This is more than a book on economics. It is a formula for the study of economics that our professors might do well to adopt. The gaining of a Ph. D. is insufficient qualification for a scientific economist, and a term in a political office seems to be a disqualification. The real laboratory for economic investigation is business, and one would be justified in asking the author of a book on economics: How many credits have you earned in that laboratory?

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

European Supplement *to* Human Events

Vol. VI, No. 16

April 20, 1949

APR 26 1949

By Bertrand de Jouvenel

THE ATLANTIC PACT: For Western Europeans it is good news that the United States has now embodied in a formal treaty its interest in our lives and liberty -- an interest to which American actions have already given far more striking expression. If opinion of the average man is less excited than that displayed by our diplomats and correspondents, the reason lies in the confidence we now feel in American steadfastness -- a confidence to which written words and sealed documents can add but little. So it was with us after the discussion in the American Senate on the 14th February: the cries of alarm then uttered by diplomats and correspondents hardly reached the ears of our public.

American intervention in Europe appears to us as a historical necessity, stemming from the disastrous political strategy of the two World Wars. Because of this many Europeans think that the Atlantic Pact almost amounts to understatement. To historians, I think, the significant date will not be April 4, 1949, but March 12, 1947, when President Truman pledged the might of America to the defense of free institutions wherever a free people seeks to defend itself against aggression, external or internal. At the time I hailed this pledge as a major event in world history: the Atlantic Pact does no more than dot its "i's" and cross its "t's".

The Pact cannot by itself check the tide of Stalinist imperialism or ensure the security of Western Europe. Its importance lies, of course, in the warning it carries to Moscow that in case of aggression against Western Europe the United States will intervene. If Russia heeds this warning and turns her ambitions Asiawards -- and this the Kremlin seems to be doing -- the Soviet may there go from triumph to triumph. And with the more assurance if American disillusionment with China's anti-Communist leaders and American disapproval of colonialism preclude all succour to the forces now engaged in fighting the Communist advance in Asia.

If Russia does not heed the American warning, then it will be found that Western Europe, even if buttressed with lend-lease weapons from America, is indefensible. Its main weakness, in the form given to it by the Atlantic Pact, is in lack of geographical depth. Space into which to retreat has been at all times a requirement of the defensive in war, and the space needed grows with every growth of speed in warfare. Europe, as Europeans know well, lacks this needed space. For them to gain confidence in the possibilities of their countries' defense, to feel the ardour which is the child of hope, the Russian advance guards would have to be pushed back to the Eastern edge of Poland. But here's the rub: such a repulse could be achieved only with full American backing and the European States, though the initiative would come best from them, have at present no stomach for such an enterprise.

Far be it from me to suggest that the Atlantic Pact lacks all real importance. One of the leading merits of the treaty is in fact that it has forced European statesmen to brave the anger of Soviet Russia. Many there were who feared just this and were prophets of woe. Even as the king in Corneille's Nicomede quaked at his son's audacity in defying Rome, so they too cried: "Ah! do not put us in the bad books of the [Soviet] Republic." Disregarded, their fears have been proved groundless, and a defiance that has gone unpunished has bred, as ever, a confidence that was needed, for until recently confidence was so delicate a plant that most of the letters of approval received by Kravchenko were, according to himself, anonymous. Now there is rapid change.

The French public grasped clearly enough the significance of the Atlantic Alliance, though diplomats had sought to gloss it over, representing it as consequent upon, and dovetailing into, the UN. This attempt deceived nobody -- least of

Copyright 1949 by Human Events, Inc.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

all the Muscovite despots whose henchmen represent it as but another example of bourgeois humbug. The basic assumptions upon which the UN and the Pact respectively rest are, it is clear as day, diametrically opposite. That of UN was the blind hope that Russia would serve as one of the keepers of a just peace, joining in a patrol of the world to enforce respect for the principles of the Atlantic Charter of 1941; that of the Pact is a belated recognition that Russia is a standing menace to those principles and constitutes the very danger to be guarded against. And the public has seen the Pact in just that light.

* * *

CALMING DOWN: Whoever turns his eyes from the political scene to the day-to-day life of Europeans discovers a new lightness of heart; this, if due in part to the mere lapse of time since the war's end, undoubtedly owes something to the continuous support and encouragement from America.

That observant banker, Alexandre de St. Phalle, has remarked: "Each single European government takes credit within its own domain for increased production and a better standard of life. Though the policies pursued have differed widely, yet, strangely enough, the graphs of each show much the same rise. Perhaps they are preening themselves on a revival with which they have had little enough to do. As though gardeners should claim that the height of the grass in their respective patches was the measure of their respective capacities."

Beyond all question the experience of the last four years reads us a striking lesson in optimism. Those years have demonstrated not only the antlike capacity of the human species to rebuild the old wastes, and after a brief interval of stupor to swarm again over ruins, but also, and what matters more, the existence of a power of moral resilience. More than the production curves are returning to pre-war levels: there is also some improvement to chronicle in behaviors.

At the start of the period Europe lay broken and bleeding; yet its material ruins were as nothing to its moral disfigurement. The growth of ignorance and anger in the dark tumult of war had issued in a bitter fanaticism. Nearly everyone on the Continent had been more or less uprooted, and in their various hideouts dangerous illusions, fed by the distortions of Communist propaganda, had flourished exceedingly. Only last year I was the witness of a scene which would, but for its sinister implications, have been rich in comedy. A dear old lady, meeting in the Metro another dear old lady, pointedly turned her back on her. "But, Theresa, don't you know me?" asked the victim of the snub. The other angrily replied: "You, Amelia! You denounced me to the Germans." "What, me!" It all came right in the end, but there is no counting the infuriated Theresas who have blamed their troubles on innocent Amelias, and with what cruel consequences!

Misdirected revenge was the great tragic theme of the immediate post-war period. There is as yet no list of the victims, for those who did not pay with their lives are emerging but gradually from quarantine or prison. The high wave of hatred which swept away the innocent with the guilty had vaulting ambition for its rider. Historians will one day marvel that one of the unsuccessful defendants in the Kravchenko action should ever have risen, as he did, to a virtual dictatorship of the French world of letters -- a man who had written nothing or at least nothing of any enduring value. Yet this man, along with a few associates, for a time in effect told French publishers whose prose they should print and whose they should not. Never was there such an arbiter elegantiae, and such were the times that his orders were obeyed!

It is especially true of France that advancement in most careers, and in the political above all, has been traditionally a slow process. To find the old, and sometimes the very old, clinging like limpets to their rocks was a common feature

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

of French life. From a time long before the war younger men, meaning thereby men under forty, had felt the spur of impatience, and this goes far to explain the eagerness of many to avail themselves in 1940 of the "openings" then created -- "openings" which had better have been left alone. The activities of the Resistance were mainly the work of very young men, and these in 1944 were well placed for taking over, with the result that at that time France could number men under thirty among her ministers and publishers of newspapers.

Potentially this was a good thing and in some cases has proved good actually. But many there were who knew in their hearts that they were not the match for more experienced competitors; these, therefore, they sought to have disqualified for the race by bringing vague charges of guilty collaboration, however passive, against as many as possible. This tendency, which the Communists encouraged for their own purposes, has had a boomerang effect, for it has pent up against the Communists a solid mass of capabilities and talents which were bound at the first opportunity to spring back at them, and it has alienated, or at least neutralized, some who viewed their advent sympathetically and were disposed to help them.

A glimpse below the surface of French politics deprives the visible party struggle of much of its importance. France is divided into three political parts, "the new men", "the men of Vichy" and "the men of the Third Republic"; and between these three are real lines of division. Incidentally the first category strove as hard to keep down the third as the second, though different methods were needed as there were no grounds for prosecutions.

The main development in the last two years has been the great comeback staged by "the men of the Third Republic". Symbolic of their comeback is Premier Queuille who, though he was the first ex-Minister to join de Gaulle in London, gave no countenance to the violent antics of 1944. Now he is coaxing the French back into friendship with each other and inducing the various clans to get on together -- as they do without difficulty if they can be got to meet. In the end he will probably carry an amnesty not only for the Vichyssois but even for collaborationists.

A sign of the changed times is the general demand in the world of letters for the release of Maurice Bardeche -- a writer who was never himself accused of collaboration but was the brother-in-law of Brasillach, a promising young writer who was shot in 1944 for collaboration in an extreme form; this caused Bardeche to write a defence of collaboration in two successive books, in the second of which he went to quite shocking lengths. For this he was arrested, but the feeling now is that freedom of speech requires that he should be allowed to express even the most deplorable views.

I have dwelt at some length on this change of outlook because it seems to mark a definite stage in the gradual return of the spirit of peace. The reader may well suppose that a country now engaged in laying aside its cudgels cannot help viewing a new tension with great distaste.

* * *

IN ENGLAND NOW: It is pleasant to contemplate a brave man. Sir Stafford Cripps has been honored by friend and foe alike, but mostly by foe, for his courageous Budget. Before a week had passed his Labour associates, angry at their setback in the municipal elections, were blaming the people's change of heart on Cripps: "Strachey put them on a meatless diet. Then Cripps comes and reads them a lesson on the costs of the social services, announcing, by way of illustration, a rise in the price of essential foods. What a way to win votes!"

What Sir Stafford has done in his Budget and his two and a quarter hours' Budget speech is of outstanding importance and on a scale worthy of himself. Here

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

is a convinced believer in Socialism who does not want it to consist merely in the running of a Welfare State by managers handing out benefits to the people without letting them see how these are paid for. The loss of one election does not disturb Sir Stafford, who really believes in Socialism's future and holds that it is essential to educate the mass of the people. So he makes his Budget a lesson in economic anatomy.

Firstly, he made it clear that social services have to be paid for and that their continuous enlargement implies growing expenditure: "When I hear people speaking of reducing taxation and at the same time see the costs of social services rising rapidly in response very often to the demands of the same people, I sometimes rather wonder whether they appreciate the old adage: We cannot have our cake and eat it." He detailed carefully the expansion of education, of social insurance and of the new health service, the Labour Party's pride: all this costs money, more and more money, which has to be found.

It cannot be found out of the incomes of the rich: the resources of progressive taxation being virtually exhausted, it is necessary to have recourse to the taxation of consumption. And this is also an economic necessity.

After the war, the reforming spirit afoot in the European countries led to the growth of social services on a Beveridgian scale but also and no less to the stepping up of investment. Socialism was to furnish the new tools and the new buildings which a miserly capitalism had failed to produce. It was not clearly understood that capital investment and government consumption are charges upon the national product which, in a state of full employment, can only be enlarged at the cost of a corresponding depression in family consumption. In England in 1948 Government consumption took 18 per cent of the gross national product and gross investment, 22 per cent, leaving only 60 per cent for consumption or, with the help of the external deficit, 62 per cent. The public authority has then to see to it that an excessive mass of personal incomes does not come to measure itself against an insufficient supply of consumer goods -- this is what constitutes inflationist pressure. And the personal incomes, being out of line with the supply of consumer goods, have to be drained away by taxation to an extent greater than is necessary to supply the State's needs: this is what happened last year.

Mr. Maurice Webb, Chairman of the Labour Party, had started a movement in the Party to win from the Chancellor an increase in the buying power of the masses by a diminution of the indirect taxation which weighs heavily on the poorest, and to secure that prices of essential foods were retained at their present levels whatever might be the cost of the necessary subsidies. On neither score has he got satisfaction: the reason is, of course, that the purchasing power of the masses is the thing which the "planning" State can least of all afford to let rise, when it has so enlarged Government consumption and capital investment that consumer goods and services are not available in sufficient quantities to meet an increased purchasing power.

A great difficulty for Sir Stafford is that of food subsidies. Since the war foodstuffs have been priced to the British consumer at fixed prices which have fallen more and more out of line with the actual prices, exacting from the Budget subsidies to make up the difference, either to the importer or the producer. And these subsidies have steadily grown with the margin between fixed prices and costs. The cost of the food subsidies has gone up from 226 million pounds in 1945-46 to 485 million in 1948-49; that is, from 904 million dollars to 1,940 million dollars.

Therefore it seemed reasonable to Cripps to clap a ceiling of expenditure on the subsidies, which are not to exceed the expenditure of the past year. But this involved raising the price of some foodstuffs, meat, cheese, butter and margarine, a most unpopular move in a pre-election year.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED